

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NEW ENGLAND GAS COMPANY
TRANSITIONAL SALES SERVICE RATE

DOCKET NO. 3436

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1, 39-1-11 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission ("Commission") will conduct a hearing on **Monday, September 29, 2003 at 9:30 AM** in the first-floor hearing room of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

In this docket the Commission reviews the New England Gas Company ("Company") Gas Cost Recovery factors ("GCR"). The GCR factors allow the Company to reconcile and recover its estimated costs for gas supplies, including the cost of pipeline transportation and storage capacity. On May 1, 2003, the Commission issued Report & Order No. 17444 directing the Company to make a filing addressing the problem of commercial and industrial gas customers migrating from transportation service to firm sales service without paying the appropriate market cost for gas supplies. At this hearing, the Commission will review the Company's August 29, 2003 compliance filing to implement a Transitional Sales Service ("TSS") Rate. The TSS is designed to apply concurrently with applicable firm sales service rate schedules, and operates by as a monthly surcharge or credit for each eligible customer. The TSS sets forth a formula that is designed to reflect the difference between gas purchases under the Company's gas procurement incentive plan and the

market-based gas price for the same month. The TSS will apply to customers subject to the Transportation Service Term and Conditions whom either: (a) choose to terminate supplier service; (b) receive a termination notice from a designated supplier; or (c) are served by a designated supplier that has become ineligible to serve the customer.

The filing is on file for examination at the Commission's office and at the office of the New England Gas Company, 100 Weybosset Street, Providence, Rhode Island. The docket can also be viewed on line at www.ripuc.org/docket/3436page.html.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING AND SPEECH IMPAIRED MUST NOTIFY THE COMMISSION CLERK'S OFFICE AT 941-4500, SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.

Luly E. Massaro
Commission Clerk
September 22, 2003